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C O N F I D E N T I A L SECTION 01 OF 02 NICOSIA 000836

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DEPARTMENT FOR EUR/SE, IO/UNP

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SUBJECT: LOSING SUPPORT, MAJOR T/C PARTIES DEBATE EARLY,
BY-ELECTIONS

REF: NICOSIA 799

Classified By: Ambassador Ronald L. Schlicher for reasons 1.4(a) and 1.4 (d)

11. (C) Summary: Two of three major Turkish Cypriot political parties admit a recent drop in voter support, while a third argues its numbers are steady or rising despite indications to the contrary. Together, the Republican Turkish Party (CTP), National Unity Party (UBP) and Democratic Party (DP) took 90 percent of the vote in 2005 "parliamentary" elections. A cooling economy and ham-handed administration have hurt the "governing" CTP, however, while a feckless boycott of "Parliament" and calamitous infighting have harmed opposition DP and UBP, respectively. Weakened but still very much in control, CTP will continue to fend off calls for early elections in 2008. In the meantime, the three parties hope to hammer out a face-saving compromise regarding "constitutional" and administrative reforms. If successful, they may provide cover for early elections in 2009, a year ahead of schedule. The ride ahead will continue to be turbulent, though, with possibilities including a mass UBP-DP resignation from "Parliament," DP's re-entry into the "Government," and the rise of a political alternative from smaller or as yet-unformed parties (Septel). End Summary.

CTP: DOWN, BUT NOT OUT YET

12. (C) In recent conversations with Embassy officers, CTP acknowledged a drop in voter support from its record 44.5 percent haul in February 2005 "parliamentary" elections, which secured the party 24 of 50 seats. (Note: CTP presently has twenty-five "MPs," owing to a subsequent by-election victory. End Note). In an October 4 meeting, "Presidential" Spokesman Hasan Ercakica claimed the party could still win 19 or 20 seats if elections were held now, but added that the "Government" had been hurt by its inability to fulfill certain promises. The four-term CTP mayor of Famagusta, Oktay Kayalp, complained on October 10 that the "Government" had become "too large and clumsy," creating dissatisfied protest voters. They included teachers -- historically a key CTP constituency -- and businessmen. And "Public Works and Transport Minister8 and "Government" Spokesman Salih Usar admitted on September 28 that an implosion in the building sector -- at least among the smaller players -- and a drop in admissions at Turkish Cypriot universities had hurt the T/C economy. Still, he believed growth would hit seven percent in 2007, in line with budget predictions and unlikely to foment political instability.

13. (C) Despite the recent setbacks, CTP leaders reject

opposition calls for early elections. Usar said there was no popular demand for them, while Ercakica claimed that UBP does not even want earlier elections itself. On September 20, CTP General Secretary Omer Kalyoncu informed the Embassy of a possible compromise: for the sake of bringing the opposition back into "Parliament," CTP might agree to early elections in the fall of 2009, but no sooner.

UBP: WE ARE THE LEAST UNPOPULAR OF EVERYONE

¶4. (C) UBP is riven by factionalism over what all in the party agree has been a failed boycott of "Parliament." Leader Tahsin Ertugruloglu has taken a beating in the press -- and from his own party -- after postponing talks on "constitutional" and administrative reforms with DP and CTP in order to fly to Ankara "for consultations." (Note: UBP has not occupied its fourteen seats in "Parliament" since September 2006, when CTP dumped DP as its junior partner and entered into a coalition with the newly-formed Freedom and Reform Party (OP). End Note)

¶5. (C) Former UBP leader and Nicosia "MP" Huseyin Ozgorgun complained on October 4 that the party was at an impasse over the boycott and could find no easy solution. He claimed that UBP "was finished" if it had to contest early elections and would need at least two years to revitalize. Not all party members shared his dire predictions, however. Hasan Tacoy, leader of the UBP's Nicosia branch and an opponent of Ertugruloglu, quipped September 24 that UBP was "the least unpopular of all" and thus supported early elections.

¶6. (C) The party's nuclear option is a mass "parliamentary" resignation to trigger by-elections. Dervis Eroglu, a former

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"TRNC" PM and, until 2005, UBP party leader, revealed on October 11 that such an option was still being discussed. (Note: Under the "TRNC Election Law," by-elections are not conducted if a year or less remains until regularly scheduled general elections, which are set for February 2010. End Note) Despite his vehement denials, Eroglu fueled rumors about a new bid for party leadership when, on an October 3 talk show, he said that UBP leader Tahsin Ertugruloglu had lost support of the party.

DP: IN OR OUT OF THE "GOVERNMENT?"

¶7. (C) In an October 9 meeting, Democrat Party (DP) leader Serdar Denktash made no secret of his desire to end the "parliamentary"8 boycott of his six deputies and rejoin the "Government."8 (Note: "Presidential" spokesman Ercakica hinted at attempts to bring DP back into the "Government" fold during an October 4 meeting. End Note) Denktash reeled off three possible short-term scenarios:

- DP joins the "Government," after which CTP-DP agree on the adoption of a "presidential system" and elections in 2010;
- DP remains in opposition, although "constitutional" reforms are passed, followed by early elections;
- DP and UBP resign from "Parliament" and force by-elections.

¶8. (C) Alone among the major party leaders, Denktash predicted a boost in seats, from six to a possible 15, in by- or full-bore elections. He appeared buoyed by DP's showing in 2006 local elections, when the party won 22 percent of votes cast, a haul 50 percent greater than in the 2005 race. (Comment: We, however, have heard that DP is losing ground to the lately-reinvigorated OP. In Famagusta, for example, two of four DP city council members defected recently to the latter party. End Comment)

AD HOC SOLUTION?

¶9. (C) Both the "Government" and opposition hope to find a face-saving solution to the boycott of "Parliament" through the October 9 creation (by the CTP, DP, and UBP) of three ad

hoc committees to work on "constitutional" and administrative reforms. They will tackle a wide range of issues as well as discuss the transition to a "presidential" system of "governance." For its part, CTP would like to democratize the "Constitution" -- especially by abolishing the "temporary" article giving Turkey control over "TRNC" police and military -- while DP wants a "presidential system," a dream of former "President" Rauf Denktash. The six-person committees (3 CTP / 2 UBP / 1 DP) will issue a progress report on December 20; if successful, their work may lead to an agreement on earlier elections.

¶10. (C) Mutual suspicions and real differences, however, may undermine the work of the ad hoc groups. Nazim Beratli, a CTP "MP," told us on October 9 it would be difficult to reach an agreement, owing to philosophical differences between members. UBP's Eroglu believed that CTP would simply use the committees to play for time, while DP's Denktash, who will chair the "presidential system" body, appeared optimistic and said the CTP had moved closer to his position. Beratli, however, said that CTP still had serious reservations about a "presidential system," especially given the current weakness of the "legislature."

¶11. (C) Comment: Absent clear advice from Ankara that will change the parties' jostling, turbulence likely will plague Turkish Cypriot politics for the foreseeable future. Early "national" elections, if they happen at all, will probably not materialize before mid-2009, however. A by-election could come sooner, spurned by a mass UBP "parliamentary" defection. But even that seems unlikely, since Eroglu -- the driving force behind such a move -- admitted that DP and UBP should have resigned in February, the implication being that the parties see benefit in retaining their seats, whether or not they fill them. Muddying the political picture even further is the rise, fall, and apparent renaissance of OP, lately bolstered by globe-trotting leader and "FM" Turgay Avci. Post will analyze the role and fortunes of OP and the T/C communities smaller parties in a separate message. End Comment.
SCHLICHER